silver of Italy should never exceed the limit of six lires per head originally fixed by the Latin Union.

The report of the Minister of the Treasury, Sidney Son-nino, to the Chamber of Deputies, on December xo, 1894, offered only a distant hope of the restoration of sound financial conditions in Italy. The result of the special examination of the banks in February was, in his own words, " not very favorable.J> The Minister proposed a somewhat elaborate scheme of law to put in effect a convention between the bank and the Treasury. The period of liquidating the unavailable assets of all the banks was extended to fifteen years. The Bank of Italy assumed the liquidation of the affairs of the Roman Bank and received in return the custody of the public funds in the provinces, paying interest at one and a half per cent, on sums above 40,000,000 lires, The bank was required to deposit with the Treasury a guarantee fund of 50,000,000 lires in national securities and to increase the amount within six years to 90,000,000 lires ; to increase the limit of advances to the Treasury from 90,000,-ooo to 100,000,000 lires ; to call upon shareholders for an assessment of 100 lires per share, amounting to 30,000,000 lires, and to reduce the capital by an equal amount. The bank was required to set aside 4,000,000 lires in 1894, S*000** ooo lires in 1895, an(* thereafter 6,oootooo lires annually, to be invested in national securities to form a reserve fund to cover the losses by the Roman Bank, ?nd any profit which might remain was allowed to be divided among the shareholders to a maximum limit of 40 lires per share.[1] This remarkable method of liquidation,—by converting locked-up assets into a new form of such assets, instead of paying off liabilities,—was approved by the shareholders of the Bank of Italy on February 25, 1895, for they practically had no option but to accept the proposals of the government.[3]

[1] Bulletin de Stati$tique> December, 1894, XXXVI., 587-89. [8] Raffialovicb, **Le** Marchi Financier en /894^5, 177.